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**China's Strategic Relations
with the Two Koreas**

Kongdan Oh Hassig

September 1997

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IDA Document D-2085

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PREFACE

This study is the result of an investigation conducted in the United States, China and the Republic of Korea of policy makers and public opinion regarding China's relations with the two Koreas. The work was sponsored as a Central Research Project by the Strategy, Forces and Resources Division of the Institute for Defense Analyses (IDA).

The author is indebted to many people in the three countries in which the investigation was conducted. Although I do not have the space to recognize them all by name, I extend my sincere gratitude for their assistance in granting interviews and providing information. I would also like to thank the members of the Central Research Program Committee for their confidence that this project would benefit not only IDA but policy makers and defense planners in the government. I would like to express my deepest appreciation to William E. Cralley, who envisioned the importance of this project and who encouraged me to pursue it. I hope that some of the information and views communicated in this paper will aid policy makers in developing strategies to deal with the dynamic situation in Northeast Asia.

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EXECUTIVE SUMMARY

This study analyzes relations between China and the two Koreas, with an emphasis on the post-Cold War period, and discusses how these relations affect U.S. policy in the region. The normalization of relations between China and the Republic of Korea (ROK) in 1992 marked an important turning point in Northeast Asian politics. Though the previous year's normalization of relations between Seoul and Moscow stimulated the Chinese-ROK normalization, China and Korea had already been moving closer together, especially in trade.

Since normalization, the bilateral relationship between China and the ROK has been extensive, alarming China's traditional Cold War ally, the Democratic People's Republic of Korea (DPRK), and its relations with Beijing have somewhat cooled. The new relationships between China and the two Koreas have received notice by regional strategic and political analysts, but the evolving trilateral relationship has not received adequate attention.

China's strategic relations with the two Koreas deserve more attention for a number of reasons. First, the security position of the ROK, a close ally of the United States, needs constant monitoring. Second, China's influence on the DPRK needs to be examined more carefully in the context of North Korea's declining health and continued habit of triggering crises in the region. Third, to preserve the U.S. forward presence in the region, close attention must be paid both to strategic needs and local sentiments. Fourth, China itself is becoming a major power, in the future likely to contend with the United States for pre-eminent superpower status. To understand China, the United States needs to understand China's relations with its neighbors.

The first conclusion of the study is that China's relationship with the ROK is closer than most Americans think and will continue to improve. A second conclusion is that China will not abandon North Korea, whose existence is useful for China both in terms of providing ideological support for communism and as a way for China to keep leverage on Korean affairs. A third conclusion is that the United States, by virtue of its economic strength and global political power, is in a good position to influence events in Northeast Asia to assure peace and stability and the spread of the American core values of democracy

and free markets, but a greater degree of sensitivity to Asian conditions is necessary if the United States is to successfully formulate and implement policy in this part of the world.

I. INTRODUCTION

What best characterizes the changes that have swept through East Asia since the depths of the Cold War is the elevation of economic policy over ideology. This pursuit for profit began earlier in some countries, for example the Republic of Korea (ROK or South Korea) than in others, for example the People's Republic of China (PRC or China); the exception is the Democratic People's Republic of Korea (DPRK or North Korea), where the economic pursuit has hardly begun. The primacy of economic policy has often forced political and ideological considerations to take a back seat. Domestic politics has become more pluralistic in most countries in the region. Political debates, revelations of political scandals and economic dislocations are symptoms of this loosening of political control, and as such are positive signs of progress toward more flexible social, economic and political systems.

In the case of South Korea, the American (as well as South Korean) press has reported a succession of political and economic scandals, including the trial of two former presidents, alleged corruption on the part of the current president's first son, and bankruptcy of major conglomerates that mismanaged their economic affairs and abused their political connections. But rather than signaling the decline of South Korea, the fact that these scandals have come to light indicates the growth of democracy and the resilience of South Korea as a nation. Indeed, the South Korean economy continues to thrive—in 1996 the country was admitted into the OECD—and the political maneuverings in the run up to the 1997 presidential election are as noisy and interesting as any American election campaign.

After disastrous attempts to run their economy on political principles (e.g., the Great Leap Forward and the Cultural Revolution), the Chinese under Deng Xiaoping in the late 1970s resolved that no matter what its color, the economic cat should be allowed to catch mice. As a consequence of this commitment to workable economic principles, the Chinese economy has grown steadily to the point where it will become, in the near future, the worlds largest economy. This economic growth, coming as it does as a result of the application of capitalist rather than communist principles, is a cause for rejoicing among Americans. At the same time China's growing economic power worries American policy

makers, because the Chinese government has remained committed to the principle of centralized, totalitarian governance and has not renounced the use of force to bring Taiwan under its control. Moreover, the Chinese are not likely to acquiesce to the idea of the United States being the world's only superpower. China has its own traditions, traditions shared by many other Asian countries, and as the "middle kingdom" of Asia, China expects that smaller Asian states should revolve around it rather than look to the distant United States. But it is too early to predict a "clash of civilizations" after the manner of Samuel Huntington. What is clear is that under a strong Chinese Communist Party leadership the Chinese economy will continue to register strong growth by following a "Chinese version of unique combination of socialism with market economic management," to quote a September 12, 1997 declaration of the 15th Party Congress.

In terms of economic development, North Korea is odd man out in East Asia. Although it made a few modest changes in its economy in the early 1980s (e.g., a slightly greater emphasis on light industry and an invitation to foreign companies to invest restricted sectors of the North Korean economy), the DPRK has yet to initiate the kinds of economic reforms that Deng promoted in China twenty years ago. The North Korean economy has been troubled since the 1970s, and after the collapse of its trade relations with fellow socialist economies at the beginning of the 1990s, the economy began to shrink, registering negative GNP growth every year since 1990. By 1996, its GNP is reported to have shrunk from \$20 billion in 1990 to an abysmal \$6 billion.¹ The economic situation is so serious in the late 1990s that one foreign demographer has suggested that the North Korean population has shrunk from malnutrition and famine from 22 million in 1993 to 19 million by 1997.² For North Korea, the time has passed when economic reform is even possible, since the country's social and economic infrastructure has virtually collapsed.

This study addresses the questions of how domestic developments in China and the two Koreas, coupled with a changing international political situation, are changing the nature of China's relations with the two Koreas, and how these changing relations affect U.S. policy in the region. During the Cold War, China, along with the Soviet Union,

¹ The DPRK's GNP has been shrinking since 1990. The worst year was 1992 (-7.6 percent). The latest figures, for 1995, show an annual decline of 4.5 percent, and the figure for 1996 is expected to be no better. See Lee Byong-du, "To Recommend Capitalistic Management of the Economy" (translated from Korean), in *The Unified Korea*, July 1997, pp. 40-41.

² Population estimates from a private conversation with Nicholas Eberstadt, Visiting Fellow at Harvard University's Center for Population and Development Studies, April 1997, Washington, DC. This is a particularly pessimistic estimate.

provided economic and ideological support to the DPRK and maintained a loose alliance against South Korea, Japan and the United States. This geopolitical situation changed dramatically with the normalization of relations between the ROK and its Soviet and Chinese neighbors and with the end of generous Chinese and Soviet economic assistance to North Korea. For China, North Korea has become a burden rather than a valued, if independent minded, ally. South Korea, on the other hand, is no longer an American-allied thorn in China's side, but rather a rich economic opportunity. Relations between China and the two Koreas are still evolving. Most importantly, the continuing collapse of the North Korean economy is likely to profoundly affect its relations with both China and South Korea. The special interest that the United States has in North Korea as a potential proliferator of weapons of mass destruction (WMD) and as a humanitarian disaster area thrusts the United States directly into the China-two Koreas relationship.

The structure of this study is simple. Following this brief introduction, a similarly brief history of Chinese-Korean relations will be presented as a background providing clues to the nature of present and future relations. Then an overview of China-Korea relations since the Korean War will lead into a discussion of contemporary perceptions and policies. The study will conclude with suggestions about the possible courses of future relations between China and the two Koreas, and the implications that current trends in Northeast Asia have for U.S. policy.

The material for this study derives from two types of the sources: the published literature and first-hand contacts with knowledgeable sources. The literature on historical and contemporary Chinese-Korean relations is voluminous, and only a small sample has been surveyed. Relevant information from this literature is presented in summarized form without the wealth of footnotes that would be found in an academic paper. The second source of information includes meetings, conferences, seminars and interviews with China and Korea specialists. While most of these meetings occurred in the United States, the author traveled to the Republic of Korea to conduct interviews. Dr. Taeho Kim, Senior China Analyst at the Korea Institute for Defense Analyses (KIDA) was the project interlocutor in the ROK, arranging meetings between IDA and KIDA personnel as well as other meetings in Seoul. Unfortunately, it was not possible to visit North Korea or meet with North Korean officials to discuss the admittedly sensitive issue of trilateral relations, although the first author has had numerous chances to discuss other issues with DPRK officials visiting the United States. The author also traveled to China, where her meetings were facilitated by arrangements made by Counselor Ye Ru'an of the PRC embassy in

Washington. Counselor Ye, the top political counselor at the embassy, specializes in strategic and international issues. He kindly arranged for the author to visit the China Institute of International Studies (CIIS), the PRC's Foreign Ministry think tank. Many other people, too numerous to mention, made the research for this study possible and enjoyable.

II. A VERY BRIEF HISTORY OF CHINA-KOREA RELATIONS

China has been the dominant force in Asia for thousands of years. Until the nineteenth century, most of East Asia could be considered part of the Chinese world order. China's political and cultural influence was especially strong in neighboring Korea, which served as a bridge transmitting to Japan Chinese culture, including Buddhism, Confucianism, pottery making and the tea ceremony. In a sense, Korea was a testing ground for Chinese culture, which was filtered by the Koreans before traveling to Japan. Chinese rulers saw the role of Korea as indispensable to China, and the Korean people were honored by being called "civilized people to the east of China," whereas the more distant Japanese were relegated to the status of "eastern Barbarians."

During those periods when China was ruled by Han (native Chinese) dynasties, relations between China and Korea were close, and Koreans recognized the legitimacy of the Chinese emperor and sent annual tribute missions to the Chinese court. During those periods when the northern Mongolians and Manchurians ruled China, relations with Korea were more distant, as the Koreans had to be forced to recognize the legitimacy of China's foreign rulers.

The transition periods between Chinese dynasties influenced politics in Korea, as some Koreans remained loyal to the earlier dynasty and some to the new dynasty. For example, the Mongol nomads invaded China and established the Yuan dynasty in 1206 AD, ruling until 1368. In the 14th century the Han Chinese began to rise against their Mongolian rulers, and for several centuries the Han's new Ming dynasty coexisted with the Mongols on their northern border. During the Mongol dynasty, the Korean Koryo dynasty established a close relationship with the Mongol emperors through intermarriage. As the Mongol's Yuan dynasty weakened, young Korean generals decided to support the Han's new Ming dynasty, against the interests of the Korean court. This spillover conflict continued in Korea until the Manchus invaded China in 1636 and established their own dynasty, the Ch'ing.

Korea, as a smaller nation among larger nations (a shrimp among whales, as they like to say), must pay attention to which way the wind blows (or which way the current

flows). In contemporary times, South Koreans were troubled by Nixon's recognition of China and downgrading of relations with Taiwan in 1972, because up to that time Korea and its dominant partner, the United States, were opposed to China and maintained close ties with Taiwan. It took 20 years for the ROK to follow Washington's lead and establish diplomatic relations with China, at the same time downgrading relations with Taiwan. Washington's recently adopted policy of limited engagement with the DPRK similarly provides a challenge to the ROK, which must consider how it will be affected by a realignment of relations on the part of its stronger ally.

In the 20th century, China and Korea were brought closer together by Japanese aggression. Korean freedom fighters took refuge in China (and in Siberia) to escape the Japanese who tightly controlled Korea, continuing their fight against the Japanese along side the Chinese. To this day, the Koreans and the Chinese both share the same criticisms of the Japanese for their wartime aggression and atrocities, and both countries are vigilant against any attempt by the Japanese to increase their military power in the region.

The Koreans (at least those in the southern half of the peninsula) once again had to realign their loyalties when in 1950 China sent a million soldiers to support North Korea in its war against South Korea, although the role of the Chinese was not to invade South Korea but to prevent U.S.-lead United Nations troops from pushing North Korean troops up to the Chinese border. In this action can be seen both a contemporary strategic consideration and an expression of their traditional view of the Korean peninsula as subject to their hegemony. This Chinese support for North Korea weakened, but did not entirely break, the strong historical bond between the ROK and China. Many Koreans, especially among the younger generation today, criticize the United States for its role (along with the Soviet Union) in dividing the Korean peninsula, but do not criticize China for supporting North Korea's aggressive attempt to reunify the peninsula.

III. CHINA-KOREA RELATIONS SINCE THE KOREAN WAR

A. NORTH KOREA

China entered the Korean War to rescue the North Korean army as it fled northward to the Chinese border. The Chinese decision to enter the war appears to have been made with some regret, for at that point China would probably have preferred to focus on eliminating Nationalist forces on Taiwan. The cost to China would be felt for years to come: beyond the loss of almost 200,000 Chinese soldiers, China made an enemy of the United States which prevented China from retaking Taiwan and deprived China of a relationship with the United States that might have given Beijing greater leverage over the Soviet Union. What China did accomplish was to bring the DPRK into its sphere of influence. Ever since the war, both Chinese and North Koreans have referred to their relationship as “sealed in blood.”

Chinese troops remained in North Korea until July 1953, and China contributed to North Korea’s recovery by sending massive economic aid. China also provided important ideological support by adopting a political line that kept it at a distance from the Soviet Union, just as North Korea’s ideological doctrine of *Juche* has dictated that the North Koreans not align themselves too closely with any other state, China and the Soviet Union included. During the Cold War, China was North Korea’s second largest trading partner, with Chinese natural gas, oil, coke and grain being bartered for North Korean minerals and marine products.

Political relations were cordial for the most part, although Kim Il Sung learned early on (as early as the 1950s) of the wisdom of keeping some room to maneuver between China and the Soviet Union. Relations soured during China’s Cultural Revolution in the late 1960s, when Mao Zedong’s Red Guards’ criticism of the upper echelon of China’s leaders (except of course Mao) spread to other “reactionary” figures in international communism, including the DPRK’s Kim Il Sung. Kim feared that this revolutionary criticism might spread to North Korea, and to prevent this cut North Korea’s relations with China for a time. Another rough spot in bilateral relations occurred after the death of Mao in 1976, when the new Chinese leadership (after the Gang of Four episode), with Deng

Xiaoping at the helm, allowed criticism of the Mao myth. This criticism especially threatened Kim, who was busy building a cult of personality that would far surpass the Mao cult in its heyday.

When bilateral political relations took a turn for the worse in 1992, economic considerations were at the root of the problem. By the early 1990s China and the Soviet Union had gotten up a head of steam on initiating economic reforms. Seeking large-scale investment, both countries responded favorably to South Korean President Roh Tae Woo's campaign to establish diplomatic relations, the Soviet Union agreeing in 1991 and China in 1992. The North Koreans felt betrayed by these diplomatic moves, which left them without the "other half" of cross-recognition (i.e., the DPRK establishing diplomatic relations with Japan and the United States). Moscow was rather bitterly attacked as a "prostitute who sells its body and soul for dirty capitalist money," but having already alienated the Russians, Pyongyang did not feel it could express itself as openly against the Chinese in 1992, and made only veiled criticisms of revisionism in unnamed "other socialist countries."

Difficult as it was to accept China's engagement with South Korea, the archenemy of North Korea, the more serious blow to North Korea was the Chinese decision in 1992, subsequently postponed and never fully realized, to end the system of barter trade with the DPRK (Russia had already done so, and its bilateral trade had plummeted). By this time, thanks to the economic reforms of Russia and Eastern Europe (as well as to North Korea's own inept economic policies), the DPRK was in its third year of economic contraction. Meanwhile, China's trade with the ROK, conducted on a cash basis, had reached \$4.2 billion. In response to natural disasters that have triggered a North Korean famine, China has reinstated some of its Cold War-era aid and trade policies toward the DPRK, but trade fell from \$900 million in 1993 to \$550 million in 1996, making China the DPRK's second largest trading partner, after Japan.³ The Chinese are clearly exasperated at North Korea's failure to remedy or even address its economic problems. Beijing is faced with an interesting dilemma: the Chinese can hardly afford to continue supporting North Korea indefinitely (to the tune of a million tons of rice a year), yet they do not want to witness a North Korean collapse, which would be another blow to communism. North Korea has clearly become a burden that the Chinese do not know how to shift from their shoulders. At the same time, South Korea has become a solid benefactor to the Chinese economy.

³ Yonhap News Agency, "Trade Figures for South and North Korea," August 22, 1997.

B. SOUTH KOREA

China's entry into the Korean War in October 1950 severed the long-standing relationship between China and the Koreans in the South, although South Korean President Syngman Rhee's strongly anti-communist regime had obviously been opposed to the coming to power of the Chinese communists in 1949. During the Cold War years, the ROK's National Security Law prohibited South Korean citizens from reading, writing or commenting about the PRC. Gradually, China became a mysterious country to South Koreans (including the author, who lived in the ROK during those years), and only those students and scholars who received permission to travel to other countries could learn about contemporary China.

The last in a series of military generals who took the presidency of the ROK was Roh Tae Woo. From the beginning of his tenure in 1988, Roh adopted the role of a reformer, vowing to realign South Korea's domestic politics and foreign relations in the direction of political pluralism. In his "Nordpolitik" or "Northern Policy" (inspired by West Germany's Ostpolitik), Roh and his brain trust conceived of a plan to gradually establish diplomatic relations with those states that had heretofore been one of the ROK's ideological enemies. First came the Eastern European states; then Roh met Gorbachev in San Francisco in June 1990, followed by normalization with the Soviet Union the next year; China normalized relations with Seoul the following year.

Prior to diplomatic recognition, China had taken the position that it would normalize relations with Seoul only after Moscow had done so, calculating, rightly as it turned out, that the DPRK would have fewer grounds for complaint if China were second in line to shake South Korea's hand. China had signaled its positive view of South Korea by attending the 1988 Summer Olympics in Seoul, even in the face of strong North Korean hostility. For many reasons, not the least for economic considerations, the Beijing-Seoul normalization was a great load off the minds of both countries, which were eager to resume their traditional neighborly relations.

Economic relations between Beijing and Seoul were already growing before diplomatic recognition, but since 1992 they have taken off. In 1992 bilateral trade was \$8.6 billion; in 1995, \$15 billion; and in 1996, \$20 billion, with the balance of trade favoring South Korea.⁴ The ROK is China's fifth largest trade partner, and China is the

⁴ Choe Chun-hum, *Research on ROK-PRC Security Cooperation* (Seoul: Institute for National Unification), December 1996, pp. 18-19.

ROK's third largest trading partner, after Japan and the United States. South Korean conglomerates have also been generous in investing in China, initiating billion-dollar projects.

At the time China normalized relations with the ROK, Beijing clearly declared that it had no intention of terminating its security alliance with the DPRK. China's first ambassador to Seoul announced that China would still adhere to the traditional description of its role in the Korean War: "China's friendly assistance to the DPRK against the American imperialists etc." In 1994, the Chinese began edging away from their security treaty with North Korea, when the Chinese Foreign Ministry said that China would not automatically send troops to North Korea in the event of hostilities; the alliance only applied to the case in which North Korea was under attack. Despite China's formal adherence to its security treaty with the DPRK, contacts between ROK and PRC military officials have increased. In February 1995, the ROK's Assistant Secretary for Policy of the Ministry of National Defense (MNU), Lieutenant General Cho Song-Tae, met with high-ranking People's Liberation Army (PLA) officers in Beijing to discuss mutual security and regional cooperation. In the following month high ranking officials of each country's Bureau of the Asia Pacific met to discuss potential cooperation in foreign policy. In October 1996, China declined to veto the UN Security Council's statement denouncing North Korea's submarine incursion into South Korean territory. This pattern of contact follows the general trend of China-DPRK relations: formal friendship with the DPRK but practical relations with the ROK.

In September 1997, China celebrated the meeting of its 15th Party Congress, the first such congress of the post-Deng Xiaoping era. The top leaders tightened their control over central government (by sidelining a few dissenters), but renewed their commitment to market reforms. Viewed along with a much smaller event at the same time—the celebration in Beijing of the first (South) Korea Food Festival—the political trend clearly favors stronger relations with the ROK in pursuit of economic progress. Where that leaves North Korea is unclear to foreign observers, and probably to the Chinese themselves.

IV. PERCEPTIONS AND POLICY BETWEEN CHINA AND THE TWO KOREAS

A. ROK PERCEPTIONS OF CHINA

South Koreans respect but do not fear China. China is perceived as a waking economic giant, still saddled with a backward political system which makes South Korea's reforming political system look positively advanced. China has already become one of the ROK's most important trade partners and investment sites, and the expectation is that economic relations will continue to grow rapidly. On the psychological and cultural level, South Koreans feel close to Chinese, certainly closer than they feel to Japanese or Americans. Perhaps it is this closeness that convinces them China is no threat to their security or prosperity. The consensus is that the ROK can continue to win China's heart by trade and investment, and by withholding criticism of China's domestic and foreign politics.

B. ROK POLICY TOWARD CHINA

Koreans and Chinese share a faith in the virtue of patience. The ROK deals with China by being sensitive to China's problems in domestic politics and in its relations with the DPRK, particular examples being South Korea's low key approach to the defection of Hwang Jang Yop from its embassy in Beijing, and keeping away from the sensitive situation in the Taiwan Straits. The ROK is guided by the principle of transparency in dealing with issues that concern China, keeping China informed of the ROK's consultations with Japan and the United States. The Four Party Talks are one example of this desire to include China in regional affairs.

Given the sensitive nature of China's relations with the two Koreas, the ROK favors use of a two-track approach to China, using official government channels as well as less visible non-governmental channels. Personnel exchanges and annual conferences are co-sponsored by the China Institute of International Studies (CIIS) and the ROK's Institute of Foreign Affairs and National Security (IFANS). The two countries have numerous other bilateral academic and research contacts. The China-Korea Association under the

leadership of the chairman of the ROK's Kumho conglomerate also stages annual bilateral conferences. An officer exchange program exists between China's Academy of Military Science and the ROK's KIDA. These sorts of contacts at the quasi-official and unofficial level are creating strong bonds between the PRC and ROK, facilitating changes that may remain below the surface until China adopts bolder political reforms.

C. CHINA'S ORIENTATION TOWARD THE DPRK

In regard to North Korea, the Chinese realize they are stuck with a bad hand. The official opinion in Beijing is that North Korea is suffering from temporary setbacks in its economy. In fact everyone, from top cadres to the people in the street, knows that North Korea's economy is in a shambles. The Chinese have been urging the North Koreans to adopt the sort of gradual economic reforms that China initiated in the 1970s, but the North Korean leaders are in a more precarious political position than were China's leaders in the 1970s, and loss of control over the people is strongly feared in Pyongyang.

But no matter how bad the situation in the DPRK, the Chinese have not been able to bring themselves to abandon North Korea. The reasons for this loyalty are at least twofold. First, China and the DPRK are both pledged to the pursuit of socialism, the difference being that China doesn't practice socialism as seriously as it once did, whereas North Korea still rigidly believes that practice should follow theory. Second, keeping a good relationship with North Korea gives China leverage over the fate of the Korean peninsula, sustaining a centuries-old Chinese foreign policy.

An important question is how long China can continue to bet on a losing horse. It is expected that within the year the DPRK will inaugurate the son of its founding father, Kim Il Sung, as the new president and general secretary of the Korean Workers Party. Kim Il Sung was a co-revolutionary of Mao Zedong and Deng Xiaoping. His son, Kim Jong Il, does not have a similarly strong relationship with the current Chinese leadership. In fact, the son does not seem to have developed personal relationships with anyone outside of North Korea. The Chinese are not excited about North Korea's dynastic succession, but they seem resigned to support the new Kim's leadership for want of any alternative candidate. The Chinese seem willing to give Kim Jong Il time to show what it intends to do about the country's many problems. How strong the China-DPRK relationship continues to be in the future may depend on the impression that the new Kim gives the Chinese in his first two or three years at the helm.

D. CHINA'S ORIENTATION TOWARD THE ROK

South Koreans may not be communists, but they are Koreans, and are viewed in light of the long relationship China has had with Korea. The ROK is recognized in China as a useful economic model to follow: controlled reform under strong government guidance. This model, which is loosening in the ROK today, has made South Koreans the envy of the Chinese, who beg for opportunities to visit Seoul. What worries China most about South Korea is how it handles North Korea. The Chinese counsel Seoul to be patient with the North Koreans, and to formulate policy toward North Korea without being pushed by the United States, which has its own national interests.

V. FUTURE RELATIONS BETWEEN CHINA AND THE TWO KOREAS

A. CHINA AND SOUTH KOREA

South Koreans voice three contending views about the future of PRC-ROK relations. One minority view is that China is a potential hegemonic power that will use South Korea, and at some future time a reunified Korea, for its own ends. Although this view is rejected by most foreign policy elites, China's aggressive behavior in the Taiwan Straits at the time of the Taiwanese presidential election can be cited by proponents of this view, which has some currency in ROK government circles.

A second minority view is that China will be a strong supporter of Korean unification (on South Korea's terms), and a friendly and constructive partner with a unified Korea. The best-known proponents of this view are former ROK ambassador to China Dr. Hwang Byung-tae and his followers. This optimistic view has been slowly gaining converts.

The majority view takes a middle course. China is expected to assume the role of a responsible great power. The thinking behind this is that the historical Sino-centered Asian order was never imperialistic in the military sense; rather, China influenced its neighbors largely through its culture. This view is very popular among the younger Korean elites and intellectuals who will become the next generation of leaders in South Korea. It is not clear if the popularity of this view owes more to an interpretation of history or to wishful thinking on the part of a generation that has no experience with war as an extension of politics.

The China-South Korea relationship, which has been based since the end of the Cold War on economic interests, is likely to become more political as the two governments try to shape a new political order to accommodate their growing economic power. China considers itself to be in a good political position to influence events in the region because, as Shen Guofang said at a preliminary meeting of the Four-Party Talks, "The PRC is the only country of the four [including the United States] that has diplomatic relations with the other three countries. This is one of the reasons the PRC is expected to play a key

constructive role in the Four-Party Talks.” Whether in fact the Talks ever materialize is not the issue here. In whatever forum, China has gained for itself a central political and economic role in East Asia.

B . CHINA AND NORTH KOREA

The future of relations between China and the two Koreas will, in the near term, be influenced to an important extent by what happens in North Korea, the regional trouble spot. China does not want to be between the two Koreas, but it does want to influence both of them. If events in North Korea should spin out of control, either in the form of inward collapse or outward attack, relations between China and the two Koreas would quickly reorient themselves, most probably by China siding with South Korea to stabilize the Korean peninsula. What happens in North Korea in turn depends to an important degree on how the surrounding powers respond to the predicament that the North Koreans have gotten themselves into. The current trend, which must have its temporal limits, is for the powers to render assistance to North Korea to prevent either collapse or attack.

China feels bound to maintain a formal relation with North Korea, and behind the scenes to render assistance to keep the Kim Jong Il regime afloat. This policy will likely continue until political and foreign policy debate becomes more open in China. As long as the old guard conservative leadership remains in power in Beijing, China seems likely to support the DPRK. However, Chinese policy analysts predict that the patience of the Beijing leadership will wear thin unless North Korea makes vigorous efforts to reform its economy and improve its conduct in international affairs. Speaking off the record, some Chinese analysts have voiced the opinion that unless he can come up with an unexpectedly bold policy stroke, Kim Jong Il will be either the last North Korean leader or an interim leader.

VI. IMPLICATIONS FOR U.S. ASIAN POLICY

A. THE UNITED STATES AND CHINA

The United States can influence the China-two Koreas relationship by way of its policies toward each of the three states. The U.S.-China relationship is unstable, always on the verge of disruption over economic differences, with undertones of mutual suspicion about the hegemonic intent of the other party. China could respond to fears of continued American hegemony by strengthening its relations with one or both Koreas. History has taught the Koreans that it is best to keep a low profile when whales are thrashing about. The South Koreans are likely to follow this policy, but the North Koreans, in desperate need of assistance, might rally to China's side if they could profit from it.

B. THE UNITED STATES AND SOUTH KOREA

The cornerstone of U.S. policy on the Asian mainland is the U.S.-ROK relationship. This is closer than Washington's relation with Beijing, and is based on mutual commitment to democracy and free markets. The United States occasionally loses patience with South Korea's handling of North Korea, just as it loses patience with North Korea's stubborn and introverted behavior. What must be remembered is that South Korea is a rapidly maturing economy and democracy, with relatively little experience at formulating its own foreign policy (having adopted U.S. policy for most of its existence). Despite its recent economic and political successes, the ROK lacks confidence in dealing with the DPRK. The United States might be wise to imitate China's policy toward the two Koreas, which is to be patient and under-manage Korean affairs with the hope that the two Koreas will work things out for themselves.

The U.S.-ROK relationship is smooth on the surface, but it is likely that the United States is assuming the relationship is in better shape than it actually is. If the United States pushes the ROK too much, whether in trade disputes or in regard to policy toward the DPRK, the South Koreans may seek to balance American pressure by drawing closer to China.

In regard to its troop presence in the ROK, the United States must take care not to outstay its welcome. Secretary of Defense Cohen's statement that U.S. troops are expected to stay even after Korea unifies is akin to accepting an invitation that has never been offered. As long as the host country welcomes the presence of troops, there need be no haste in removing them. But as the Northeast Asian countries grow in economic power and political stability, they can be expected to handle their own affairs and resent the intrusion of outsiders, even for the purpose of providing stability.

C. THE UNITED STATES AND NORTH KOREA

U.S. actions toward North Korea can influence the China-DPRK relationship. If the United States were to adopt a full-blown engagement policy toward North Korea—an event that currently seems unlikely—China might respond by strengthening its ties with the North to counter increasing American influence on the Korean peninsula, or might strengthen ties with the ROK if the South Koreans were to object strongly to the U.S. engagement policy. On the other hand, if the United States adopts a hostile stance toward the DPRK, as it did during the nuclear proliferation crisis in the early 1990s, China may again be drawn to the DPRK's defense.

D. CONCLUSIONS

Although the United States does not have diplomatic relations with both Koreas, as does China, the DPRK's desire to normalize relations with the United States gives Washington a central role in Korean issues. While China has long supported the DPRK, the United States can unlock the door to much greater support through its influence with Japan, South Korea and other economic powers and international organizations. Perhaps the greatest weakness in Washington's Northeast Asian policy is the lack of care in formulating it. U.S. relations with China and with South Korea are in constant need of repair. The annual debate on renewing China's Most Favored Nation status is a reminder of how thin the ice is between Washington and Beijing. The U.S.-ROK relationship tends to be taken for granted, but those who are in close touch with South Koreans report a strong undercurrent of dissatisfaction with the United States. U.S. policy toward North Korea threatens to go sour every time the North engages in a new ploy to gain attention. Washington is almost oblivious to relations between the two Koreas and China, except to the extent they can be formulated in balance of power terms.

It is suggested that U.S. policy in Northeast Asia can be improved by combining policy analysis from functional specialists and area specialists. In Asia, where three old and proud civilizations exist—China, Korea and Japan—the functionalist's view of international relations, nonproliferation, arms control and other functional specialties misses much of the Asian reality. Functionalists cannot make up for a lack of training and experience in Asian Studies by consulting their own cultural background, because most functionalists, and functional studies, come from a European background. Hence, the frequent assessment that the Chinese are inscrutable, the South Koreans emotional and the North Koreans irrational. This is so only from a Euro-centric viewpoint. By combining the expertise of functionalists with the knowledge and wisdom of area specialists, the United States has the best chance of formulating workable and durable policies toward China and the two Koreas.

REPORT DOCUMENTATION PAGE			<i>Form Approved</i> <i>OMB No. 0704-0188</i>	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503.				
1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE September 1997		3. REPORT TYPE AND DATES COVERED Final
4. TITLE AND SUBTITLE China's Strategic Relations with the Two Koreas			5. FUNDING NUMBERS Independent Research Program	
6. AUTHOR(S) Kongdan Oh Hassig				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Institute for Defense Analyses 1801 N. Beauregard Street Alexandria, VA 22311			8. PERFORMING ORGANIZATION REPORT NUMBER IDA Document D-2085	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES) Institute for Defense Analyses 1801 N. Beauregard Street Alexandria, VA 22311			10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES				
12a. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited.			12b. DISTRIBUTION CODE	
13. ABSTRACT (Maximum 200 words) Since the People's Republic of China established diplomatic relations with the Republic of Korea in 1992, relations between China and the ROK have strengthened, straining Beijing's relations with the Democratic People's Republic of Korea. Yet China will not abandon North Korea, whose existence as an independent state is useful to China both in terms of providing ideological support for communism and as a way for China to apply leverage on Korean affairs. China's relationship with the ROK is closer than most Americans think and will continue to improve. South Koreans respect but do not fear China. On the psychological and cultural level, South Koreans feel closer to Chinese than to Japanese or Americans. China could respond to fears of American hegemony by strengthening its relations with one or both Koreas; likewise, disagreements between the ROK and the United States on such matters as trade or Washington's North Korea policy could push the ROK closer to China. The US, by virtue of its economic strength and global political power, is in a good position to influence events in Northeast Asia if it can preserve its close relationship with the ROK while engaging the DPRK, thus matching the influence that China has on the Korean peninsula.				
14. SUBJECT TERMS China, ROK (South Korea), DPRK (North Korea), foreign policy, engagement, China-Korea relations			15. NUMBER OF PAGES 28	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT UNCLASSIFIED	18. SECURITY CLASSIFICATION OF THIS PAGE UNCLASSIFIED	19. SECURITY CLASSIFICATION OF ABSTRACT UNCLASSIFIED	20. LIMITATION OF ABSTRACT UL	